GOVERNMENT OF INDIA
TEXTILES
LOK SABHA

STARRED QUESTION NO:266
ANSWERED ON:07.12.2001
US RESTRICTION ON TEXTILE IMPORTS
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Will the Minister of TEXTILES be pleased to state:

(a) the details of the textiles exported with its value during each of the last three years, country-wise, particularly to USA;

(b) whether the US restrictions on the textiles import from Asia have caused a great setback to the Indian textile industry;

(c) if so, the reasons for imposing restrictions;

(d) whether any concrete action plan has been worked out by the Government to meet this situation;

(e) if so, the details thereof; and

(f) the extent to which it will help Indian Textile Industry ?

Answer

MINISTER OF TEXTILES (SHRI KASHIRAM RANA)

(a) to (f) : A statement is laid on the Table of the House.

STATEMENT REFERRED TO IN REPLY TO PARTS (a) TO (f) OF LOK SABHA STARRED QUESTION NO. 266 FOR 7-12-2001.

(a) The value of textiles exports to US and other countries in the last three years are given below:-

(US$ Million)

	1998-99	1999-00	2000-01
Textile exports to all Countries	9548.2	10508.5	12097.4
Of which :			
Share of US	2501.5	2737.5	3218.7

Source : DGCI&S, Calcutta.

(b) & (c) Till December 31, 1994, the exports of textiles to certain developed countries (e.g. US; member countries of EU; Canada) had been governed by bilateral textile agreements entered into between India and these countries under the aegis of the Multi-Fibre Arrangement (MFA), outside the rules of the General Agreement on Tariffs and Trade (GATT).With effect from January 1, 1995, the quantitative restrictions (import quotas) in the bilateral agreements under the MFA, are being governed by the Agreement on Textiles and Clothing (ATC) contained in the Final Act of the Uruguay Round negotiations of the GATT.Presently, our textiles and clothing items face restraints in USA, European Union and Canada. Quotas by themselves are trade restrictive.

(d) to (f) As per ATC, the textile quotas would be phased out and textile sector fully integrated into WTO by 1st January 2005.With a view to prepare the textile industry to successfully face competition of the quota free regime, Government have been taking measures from time to time. National Textile Policy - 2000 (NTxP-2000) has been announced in November 2000 to provide the policy direction for sustained development and growth of the textile industry in a harmonious way and to give a thrust to textile exports. Some of the important initiatives taken are:-

i) The Government has de-reserved the woven segment of readymade garment from the SSI sector and has increased the SSI limit for knitwear sector from Rs. 1 crore to Rs.5 crores.

ii) A provision of Rs.10 crores has been earmarked in the B.E. 2001-02 for creating clusters of excellence, i.e. apparel parks for production and export of garments. Besides, a provision of Rs. 15 crores has also been made in B.E. 2001-02 for scheme for improvement of infrastructure facilities at major textile production centres.

iii) The Technology Upgradation Fund Scheme (TUFS) has been made operational from 1-4-1999 to facilitate the modernisation and upgradation of this sector so that it can become more competitive in international trade. Inter Ministerial Committee to resolve the issues pertaining to assistance under TUFS has been constituted.

iv) Weaving, processing and garment machinery, which are covered under TUFS, have been extended the facility of accelerated depreciation at the rate of 50%.

v) With a view to strengthen entire value addition chain, the import of a large number of garment machinery (159 items) has been allowed under concessional custom duty of 5%. 12 items out of these will even not face any countervailing duty.

vi) With a view to encouraging backward integration, the custom duty on shuttleless looms has been brought to 5%. A programme has also been announced to induct 50,000 shuttleless looms and to modernise 2.5 lakh powerlooms in the decentralised sector by 2004.

vii) Foreign equity participation upto 100% through automatic route has been allowed in the textile sector with certain exceptions.

viii) The relaxations have been given under the Quota Policy to reduce the transaction costs for exports.

ix) Technology Mission for Cotton has been launched for initiating focussed steps for boosting production, productivity and quality of cotton for manufacture and export of competitive downstream textile products.

x) National Institute for Fashion Technology (NIFT), its six branches and Apparel Training & Design Centres (ATDCs) are running various courses/programmes to meet skilled manpower requirements of textile industry especially apparel in the field of design, merchandising and marketing.